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WRITTEN TESTIMONY PROVIDED

NEITHER FOR NOR AGAINST LD 1396

“An Act to Amend Maine's Municipal Subdivision Standards to Increase the Number of Dwelling Units on or Divisions of a Tract of Land Before the Tract is Considered a Subdivision”

DATE OF HEARING: Friday, April 25, 2025

Honorable Senator Curry, Honorable Representative Gere, and Distinguished Members of the Housing and Economic Development Committee:

This testimony outlines our perspective as planners having had a great deal of experience working within the details of the subdivision process as well as the ramifications of when the legal process is side stepped.

Our policy recommendation consists of two elements:

1. Whereas the existing statute defines subdivision to include both *land* (lots) as well as *dwelling units* and does not make a distinction in its regulation, **we are supportive of modifying the definition of subdivision to be 5 or more *dwelling units* and retaining, for now, the current threshold for *land* of 3 or more for lots.** This supports the implementation of LD 2003 and several other bills in the current session.
2. We are supportive of the concept of increasing the threshold that triggers subdivision for *land*, however this should be done after a thorough assessment as is articulated in LD 161 DACF Stakeholder Group to Overhaul Subdivision, a bill we wholeheartedly support.

The complexities and unintended consequences of unregulated *land* division is of concern for two main reasons.

- a. **Impact to Natural and Municipal Resources**

All development impacts natural resources. Land use regulations, such as site plan review or subdivision review, can establish standards that limit that impact. For most

of the state, the standards that can limit this impact are not applied until the subdivision threshold is triggered, because smaller developments require only a building permit. This statute provides a safeguard for development at scale (3 or more within 5 years) to ensure that a lack of local standards does not allow for the rapid and permanent degradation of natural resources from larger scale development. While it may be appropriate to change this threshold, the impacts of this decision should be assessed through the stakeholder group.

b. Impact to Land Value

State law requires certain minimum standards for lot size and shape for septic discharge and shoreland protection. In addition, many if not most communities also have local lot size and shape requirements. Municipal subdivision review is the best tool we have to ensure that newly created lots comply with those state and local lot standards.

Lot divisions that happen outside the legal process can result in the creation and selling of lots without clear titles, boundaries, or compliance with lot standards. These illegal nonconforming lots are unbuildable, have little or questionable value on the open market, and can destroy the land's municipally assessed value.

Illegal homes are then constructed when building permits are denied, creating a money pit of an unsafe investment. What is supposed to be the best and most stable investment is not so for these people, usually people of lesser means. Planners have a front row seat to this unfortunate process playing out across the state.

The subdivision process allows a review of lot creations (more than 3 within 5 years) to ensure that the new lots are legal, buildable, and appropriate for the market. It is currently the best tool to help protect against illegal lot creation and sales. While it may be appropriate to change the threshold, the impacts of this decision should be assessed through the stakeholder group.

One of the primary lenses we look through when considering land use policy is housing affordability. By increasing the threshold of subdivision for *dwelling units* only, this bill is more targeted to housing that is affordable because multifamily housing is cheaper to develop and rents or sells for lesser cost on a per unit basis. While we are not against the concept of liberalizing *land* divisions, doing so may result in an equal or greater focus on development of single family homes in

natural resource areas, such as lake or river front properties, that will need more thoughtful natural resources protection measures, and not as directly address affordability.

We are grateful for the initiative to begin addressing the long problematic subdivision statute.

Sincerely,

Maine Association of Planners Legislative Policy Committee